GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Prohibition and Excise – Bar Policy for 2025-28 (i.e., from 1.09.2025 to 31.08.2028) for disposal of Bars - Orders – Issued.

REVENUE (EXCISE-II) DEPARTMENT

G.O.MS.No. 275 **Dated: 13-08-2025**
Read the following:

1. GO Rt. No.460, Revenue (Excise) Department, Dated 17.06.2022
2. GO Ms. No.527, Revenue (Excise) Department, Dated 13.07.2022.
3. GO Rt. No.582 Revenue (Excise) Dept., dated 29.08.2024.
4. From Director, Excise and Prohibition, CR.No.4154/2025/CPE/E3, Dated:04.08.2025.
5. Govt. Memo. No. REV01-CPE0EXPM(POMT)/1/2025-Excise, Dated:07.08.2025.
6. From the Director, Excise & Prohibition, AP, e-office file No. REV04-15023/203/2025-E-COPE (Comp. No. 2927885) along with Lr. C.R.No.4154/2025/CPE/E3, Dated:12.08.2025.

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ORDER:

The Government have reviewed the Excise policies implemented during 2019-24 and prepared the Way Forward regarding the excise policies to be pursued for the ensuing Excise years. Pursuant to the Way Forward, a Cabinet Sub Committee has been constituted vide reference 3rd read above for recommending Draft New Comprehensive Excise Policy on Retail Trade, Pricing of Liquor and Taxation.

2. The Cabinet Sub Committee has conducted an in-depth evaluation of the current Bar Policy of the State with reference to the various bar policies followed previously and those prevailing in the States of Telangana, Karnataka, Tamil Nadu, Kerala, Rajasthan, and Uttar Pradesh, as well as feedback from stakeholders. Further, the Committee assessed the performance of the existing Bar policy with respect to critical metrics including wider public participation in selection process, revenue generation efficiency etc.

3. After thorough deliberations, the Cabinet Sub Committee has observed that till 2017 bar licences were granted annually and renewed year after year. In 2017, a new Bar policy was issued for five-year period ending 2022, continuing the existing bar licences and disposal of population-based bars by way of drawl of lots. This was followed by an auction model for disposal of (840) bars with a three-year licence period (2022-25). The Bar policy issued in the reference 1st read above expires on 31.08.2025.

4. The Committee also noted that under the existing policy (44) bars remained undisposed for 2024-25, despite several re-auction notifications. The high lease amounts have made the bar business unviable in many places. If the policy is continued, a significant number of Bars may not opt for renewal and the disposal of remaining bars is a difficult proposition considering the high bid amounts with further 10% escalation. All these necessitate a change in the Bar policy for the coming years framing an open and transparent policy with liberalisation and ease of doing business while safeguarding revenues.

5. After detailed deliberations, the Cabinet Sub Committee observed that considering the shortcomings experienced in the existing auction method, in the present context where the Department's repeated attempts of disposing the left over/dropped (44) Bars have failed even after several notifications, this Auction model has turned out to be an unviable option for the disposal of bars and conduct of business in this category. The alternative option of Drawl of lots presents a highly transparent

and open method for ensuring wider participation, level playing field and competition as was evident in the disposal of A4 shops as well as in the disposal of new Bars in the Telangana State recently. Accordingly, the Cabinet Sub Committee recommended to adopt the drawl of lot principle for disposal of the bars in the new policy. It was also recommended to allow participation by applicants without any restriction on numbers and without prior condition of having a restaurant to open up the trade for wider participation and prevent the control of syndicates over the business. Further to prevent any extraneous factors from influencing the participation and thus restricting government revenue the Cabinet Sub Committee recommended that the drawal of lots should be conducted only when minimum 4 applications are received for each bar.

6. The Committee also observed that communities with toddy tapping as traditional occupation i.e., Geetha Kulalu, which were allocated 10% additional shops over and above the existing A4 Retail shops, by exclusive reservation for them vide G.O.Ms.No.211, Revenue (Excise) Department, dated: 30.09.2024 as a measure of equity and social empowerment, need to be extended similar benefit by allocating 10% Bars over and above the existing number of bars by providing exclusive reservation, as a mark of the Government's intention to empower these communities socially and economically with similar principles of allocation and concessional license fee.

7. Besides, bars may be permitted in Airports, except in Tirupati airport, to cater to the needs of tourists and travellers looking at the growing number of flights.

8. The Committee further observed that Andhra Pradesh with (890) bars including bars in Star Hotels and Micro Breweries has the lowest bar to population ratio compared with the neighbouring states and other major revenue earning States. Keeping in view of this and growing economic activity and urbanisation, a provision may be created for permitting Bars in areas in Urban Development Authority, Metropolitan Development Authority, Industrial Corridors / hubs and Special Economic Zones (SEZs) in due course based on requirement.

9. The Committee also noted that the business hours in the neighbouring Telangana state is from 10 AM to 12 midnight on weekdays with additional provision for 10 AM to 1 AM on Fridays and Saturdays. In alignment with the Telangana policy to some extent, the Committee opined that timing may be allowed from 10 AM to 12 midnight. Brands with MRP Rs.99/- (180ml size) may not be permitted to the Bars as this segment is meant for lower income group consumers. In order to ease the initial financial burden on the licensees, the annual Retail Excise Tax may be collected in six installments with a bank guarantee for one installment. Similarly, the mechanism of payment of Bar additional ARET may be changed so that the licensee would purchase liquor / beer at the price charged for A4 shops and pay the additional ARET at a later specified date secured with a bank guarantee.

10. Basing on the above observations, the Cabinet Sub Committee has made recommendations on the draft new Bar policy and requested to send proposal to the Government accordingly. Accordingly, vide reference 4th cited, the Director, Prohibition and Excise has submitted the recommendations of the Cabinet Sub Committee for examination to the Government. The Government has approved the recommendations of Cabinet Sub Committee for formulating the new Excise policy for disposal of Bars to be implemented for 2025-28 vide reference 5th read above.

11. Further, the Government has requested Director, Prohibition and Excise to submit guidelines for the Bar Policy 2025-28 vide reference 5th read above. Accordingly, the Director, Prohibition & Excise has submitted draft guidelines in the reference 6th read above.

12. The Government, after careful examination of the proposal submitted by the Director, Prohibition and Excise, Andhra Pradesh, hereby formulate the Excise Policy for 2025-28 in respect of Bars.

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13. Accordingly, the following notification will be published in an Extra-Ordinary issue of the Andhra Pradesh Gazette dated:13.08.2025 :-

NOTIFICATION

PROHIBITION & EXCISE POLICY FOR DISPOSAL AND ALLOTMENT OF BARS FOR THE PERIOD 2025-28

1. **Number of Bars:** The number of bars shall be fixed at (840) and additional 10% bars shall be reserved for Geetha Kulalu as a measure of equity and social empowerment as done in case of Retail Shops. This number is exclusive of Bars in respect of Star Hotels, Microbreweries and Airports.

2. **Bars for Geetha Kulalu:** The distribution of Bars for Geetha Kulalu shall be on the lines of guidelines adopted for A4 shops meant for reserved category.

3. **Method of disposal:**

   3.1. All bars shall be disposed of by way of Drawl of Lots on the model of A4 Shops by inviting applications from public.
   3.2. A separate notification and guidelines shall be issued for disposal of the (84) Bars earmarked for Geetha Kulalu, over and above the (840) bars under open category.

4. **Number of Applications and Number of Licences**:

   4.1. There shall be no limit on the number of applications that may be filed by a person or the number of bar licenses a person can hold.
   4.2. Drawl of Lot shall be conducted only when minimum (4) applications for any Bar are received.

5. **Application Process:**

   5.1. Interested applicants or their authorized representatives may file applications online or offline or hybrid in the prescribed application form to participate in the selection process for grant of Bar License.

   5.2. The procedure for online, offline and hybrid methods of application shall be set out in the District Gazette notification inviting applications for disposal of Bars.

6. **Licence period:** The licence period shall be (3) years from 1.09.2025 to 31.08.2028.

7. **Annual Retail Excise Tax:**

   7.1. The Retail Excise Tax for the bar under open category to be allotted by drawl of lots shall be Rs.35.00 Lakhs (up to 50,000 population), Rs.55.00 Lakhs (between 50,001 - 5,00,000 population) and Rs.75.00 Lakhs (Above 5,00,000 population) per annum subject to increase by 10% year on year.

7.2. The Retail Excise Tax for the bars reserved for Geetha Kulalu shall be 50% of Retail Excise Tax prescribed for open category Bars across the slabs, subject to increase of 10% year on year.

8. Instalments: The annual Retail Excise Tax shall be paid in (6) equal instalments along with submission of a Bank guarantee equal to one instalment.

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9. Location:

9.1. Bars shall be located in ULBs and their belt areas and notified Tourism Centres except religious Tourism Centres.

9.2. The existing norms and method of measuring distance from Educational Institutions, Places of public worship, Hospitals etc. to Bars prescribed under reference 2nd read above shall be continued.

9.3. A provision shall be created for permitting Bars in Urban Development Authority Areas / Metropolitan Development Authority areas, Industrial corridors/hubs and SEZs in due course as per requirement.

9.4. The selected applicant shall be permitted to establish the Bar anywhere in the Municipal Corporation including its 10 KM belt area from the periphery (within the Revenue District) or in the Municipality including its 3 KM belt area from the periphery (within the Revenue District) or in the Nagar Panchayat, or other places so permitted from time to time, as the case may be, subject to such restrictions laid down under the rules.

10. Non-refundable Application Fee: Non-refundable Application fee shall be Rs.5 Lakhs for each application along with a Processing fee of Rs.10,000/-.

11. Eligibility: Any person above the age of 21 years and not disqualified under the Bar Rules, shall be eligible to apply. Restaurant shall not be a pre-condition for participation in the selection process. The selected applicant may establish Restaurant within (15) days from the date of grant of licence following all norms and regulatory approvals.

12. Business Hours: The business hours shall be from 10 AM to 12 midnight.

13. Brands Permitted: All brands of IMFL and FL other than IMFL brands with MRP Rs.99/- of 180 ml size (including different sizes), shall be permitted.

14. Bar Additional ARET: The ARET additionally levied on Bars shall be collected on or before a specified later date as specified in the Rules under payment mechanism of Bar additional ARET, while allowing the bar licensees to purchase liquor / beer from APSBCL Depots on the same price charged for A4 shops. The Bar licensee shall submit a bank guarantee equal to one annual Retail Excise Tax instalment as security.

15. Air Port bars: Bars will be permitted in Airports (Except Tirupati Airport). Any applicant recommended by Airport Operator shall be considered eligible for grant of Airport bar licence. Government will issue separate guidelines detailing the process and conditions of grant of license for Airport Bars.

16. Hon'ble Supreme Court Guidelines: While establishing Bars, the guidelines issued by the Hon'ble Supreme Court regarding establishment of such Bars on National/State Highways shall be strictly adhered to.

17. Restrictions on establishment of Bars in Tirupathi: No Bar shall be permitted on the road from Tirupathi Railway Station to Alipiri via RTC Bus Stand, Leelamahal circle, Nandi circle, Vishnu Nivasam, Srinivasam. Likewise, no Bar shall be permitted on the road from Leelamahal – Nandi circle – Alipiri – SVRR Hospital – SVIMS in Tirupathi Municipal Corporation area.

18. **Undisposed Bars:** The Commissioner / Director, Prohibition and Excise is permitted to relocate undisposed Bars anywhere in the State as he deems fit.

19. **Schedule**: The schedule for the entire process starting from issuance of notification and all other activities up to the start of operation of Bars will be specified by the Commissioner / Director, Prohibition and Excise.

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20. **General Provisions:** The entire process of applications, allotment, establishment, licensing, and functioning of Bars shall be governed by:

20.1. The Andhra Pradesh Excise (Grant of license of selling by Bar and conditions of license) Rules, 2025.
20.2. The Andhra Pradesh Excise Act, 1968 and rules made there under.
20.3. The Andhra Pradesh Intoxicating liquors (Prohibition of Advertisements) Act, 1978.
20.4. The Andhra Pradesh (Regulation of Trade in IMFL, FL) Act, 1993 and rules made there under.
20.5. Any other circulars/instructions issued by competent authorities from time to time.

14. The Director, Excise and Prohibition shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

MUKESH KUMAR MEENA
PRINCIPAL SECRETARY TO GOVERNMENT (FAC)

To
The Commissioner of Printing and Stationery and Stores Purchase, AP, Vijayawada (He is requested to furnish 100 copies to Govt. and 500 copies to the Director, Excise & Prohibition, AP, Mangalagiri and 50 copies to the Commissioner, I&PR, Vijayawada)
The Director, Prohibition & Excise, A.P. Mangalagiri.
The Managing Director, AP State Beverages Corporation Limited, Mangalagiri.
Copy to:
The Law Department.
The Accountant General, Andhra Pradesh, Vijayawada
The Commissioner, I&PR, AP, Vijayawada.
The P.S. to Prl. Secy. to Hon'ble CM.
The PS to Chief Secretary to Government.
The PS to Hon'ble Minister for Prohibition and Excise.
The PS to Prl. Secy. To Govt., Revenue (Excise) Department.
SF/SC.

// FORWARDED :: BY ORDER//

SECTION OFFICER